

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6535**

**BILL NUMBER:** SB 182

**NOTE PREPARED:** Dec 5, 2003

**BILL AMENDED:**

**SUBJECT:** Tobacco Merchandising.

**FIRST AUTHOR:** Sen. Weatherwax

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- A. It prohibits cigarette manufacturers from requiring retailers to engage in certain display and advertising practices or other practices concerning another cigarette manufacturer as a condition to participating in marketing promotions.
- B. It requires certain retailers to provide employee assistance to purchase individual packages of cigarettes.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** *Provision A:* If a cigarette manufacturer violates this provision, the staff at the Alcohol and Tobacco Commission could file an injunction against the manufacturer for monetary damages and attorneys fees (IC 24-3-2-12).

**Explanation of State Revenues:** *Provisions B and C:* The bill would establish Class C infraction for certain retail establishments having individual packs of cigarettes within the reach of consumers. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected.

The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund. Notwithstanding the criminal Class C infraction, tobacco retailers found to have violated the requirements of this bill, could be assessed a civil penalty of \$50 for a first violation and up to \$500 for three violations in the previous 90 days (a person may only be cited for a violation once every 24 hours).

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Mark Goodpaster, 317-232-9852.